

January 11, 2012

**CalWORKs
PROGRAM GUIDE
SPECIAL NOTICE
12-01**

**CalFresh
PROGRAM GUIDE
SPECIAL NOTICE
12-01**

**Medi-Cal
PROGRAM GUIDE
SPECIAL NOTICE
12-01**

Subject	EARNED INCOME TAX CREDIT OUTREACH
Effective Date	January 1, 2012
Expiration Date	December 31, 2012
Reference	All County Information Notice (ACIN) I-77-11, All County Welfare Directors Letter (ACWDL) 11-17
Purpose	The purpose of this Special Notice is to notify Family Resource Center (FRC) staff about 2012 Earned Income Tax Credit (EITC) outreach campaign.
Background	<p>The EITC publications:</p> <ul style="list-style-type: none">• Strengthen state and county efforts to promote the EITC to our CalWORKs and CalFresh client population,• Target families who qualify for EITC, and• Educate and assist families on how to access EITC. <p>These are revised annually to reflect changes for each tax year.</p>
Existing EITC Outreach Efforts	San Diego County's existing EITC outreach campaign through Thrive San Diego will continue. These materials are provided to supplement EITC outreach efforts where needed.

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**Free Tax
Preparation
Services for
Clients**

Free tax preparation services are available through the IRS Volunteer Income Tax Assistance (VITA) Program for low-to moderate-income individuals and families who earned \$50,000 or less during tax year 2011.

See the [EITC Threshold for Tax Year 2011](#) section below for more information.

Clients can call 2-1-1 to find the nearest site and more information.

Clients can also log on to:

http://www.thrivesandiego.org/index_files/aboutvita.htm.

**EITC
Postcards**

The Community Action Partnership (CAP) will distribute EITC postcards and coordinate EITC presentations throughout various FRCs and Welfare-to-Work (WTW) sites. Presentations will be conducted by the Thrive Coordinator.

EITC postcards will be distributed to WTW, Refugee Employment Services (RES), Public Health Clinics, City and County libraries, schools and Child Care contractors.

In addition, a flyer containing postcard information with VITA site locations and phone numbers is being sent to CalWORKs and CalFresh recipients as inserts with the December, January and February QR7's.

**FRC, WTW,
RES and Child
Care Staff
Action**

FRC and contracted staff shall distribute these postcards to clients at all contacts and encourage them to contact 2-1-1 to receive free assistance to file their taxes and claim EITC and other tax credits available to them.

If additional postcards are needed, FRC Managers or their designee may contact the CAP at (619) 338-2799.

**EITC
Presentations**

Thrive San Diego is available to provide EITC presentations to promote access to EITC. To schedule a presentation contact CAP at (619) 338-2799.

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**EITC
Threshold for
Tax Year 2011**

The threshold is based on tax year 2011 EITC limits as shown below:

Earned income and adjusted gross income must each be less than:

- \$43,998 (\$49,078 married filing jointly) with three or more qualifying children
- \$40,964 (\$46,044 married filing jointly) with two qualifying children
- \$36,052 (\$41,132 married filing jointly) with one qualifying child
- \$13,660 (\$18,740 married filing jointly) with no qualifying children

The maximum EITC for 2011:

- \$5,751 with three or more qualifying children
 - \$5,112 with two qualifying children
 - \$3,094 with one qualifying child
 - \$464 with no qualifying children
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**Treatment of
EITC
Payments in
CalWORKs**

INCOME

EITC payments, whether received as advance payments or as a single payment, are exempt as income in determining CalWORKs eligibility or benefits level.

[CPG 44-100 H. Income From Public Sources](#)

RESOURCE

Under Quarterly Reporting rules, EITC payments are considered nonrecurring lump sum payments and shall be treated as property in the month of receipt and any subsequent months.

[CPG 44-100 A. Income Definitions](#)

[CPG 44-250 H. Continued Eligibility Third Party Special Needs](#)

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**Treatment of
EITC
Payments in
CalFresh
Program**

INCOME

EITC payments paid shall be excluded as income and resources for CalFresh applicants and recipients.

[CalFresh Program Guide 63-225.4 Income Excluded by Federal Law](#)

RESOURCE

Modified Categorical Eligibility has been expanded to all non-assistance CalFresh recipients, and therefore these households are not subject to asset limitation requirements.

[CalFresh Program Guide 63-203.19 Excluded Resources](#)

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**Treatment of
EITC
Payments in
Medi-Cal
Program**

INCOME

Federal tax refunds (e.g. Earned Income Tax Credit (EITC), Make Work Pay Credit (MWPC) and Child Tax Credits (CTCs)) received between December 31, 2009 and December 31, 2012 is exempt from consideration as income.

RESOURCE

Federal tax refunds that are saved are disregarded as property for 12 months from the date received. Any portion of the funds remaining after the expiration of the 12-month period is considered countable property.

Note: Eligibility will not be denied or terminated on the basis of excess property unless the applicant or beneficiary has been asked whether he/she has received a federal tax refund in the last 12 months, and those refunds have been appropriately disregarded.

Transfer of Assets/Treatment of Trust

Federal tax refunds will not be used in determining a period of ineligibility. As such, penalties cannot be imposed upon long term care applicants for disposal or transfer (for less than fair market value) of all or part of a federal tax refund received between December 31, 2009 and December 31, 2012.

Similarly a federal tax refund received between December 31, 2009 and December 31, 2012, held for 12 months or less and placed in a trust fund, will not be counted as available, and no transfer of asset penalties apply. If the federal tax refund is held for more than 12 months, then placed in a trust or disposed of, the transaction would be subject to transfer penalties and counted as available under the Medi-Cal trust provisions.

**General Relief
(GR) Program
Impact**

GR counts the receipt of EITC as income in the month received. Any portion of the refund retained by the recipient in the month following receipt is considered personal property ([GRPG 90-400.5.F](#)).

If the recipient was active during 2011 and the recipient receives EITC, the worker must review for potential unreported earned income.

Cash

CAPI exempts the receipt of EITC from consideration as income in the

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**Assistance
Program for
Immigrants
(CAPI) Impact**

month received ([CAPI PG 99-103.2.B](#)). It is also exempt as a resource for 12 months following the month of receipt (SSI POMS SI 1130.676.C.1.b). Further instructions will be issued in a future CAPI PG letter.

**ACCESS
Impact**

Information about EITC and local Volunteer Income Tax Assistance (VITA) sites has been added to the ACCESS website at www.sdcounty.ca.gov/hhsa/programs/ssp/access and to the Community Resources and Self-Help section of the CalFresh website www.sdcounty.ca.gov/hhsa/programs/ssp/food_stamps/community_resources_and_self-help.

When callers inquire about EITC, ACCESS Agents shall provide the address and phone number of local VITA sites, where they can obtain free assistance with filing their tax returns.

A listing can also be found at the Community Action Partnership website at www.sdcountycap.org; and at the 2-1-1 website www.informsandiego.org.

**Automation
Impact**

In order to track EITC enrollment, HSS shall record EITC in CalWIN as follows:

1. Click **Intake & Case Maintenance** on the **Navigate CalWIN** window.
 - Click the **Data Collection** heading in the "Action" group box.
 - Select the **Display Unearned Income Summary** window from the expanded tree view in the "Action" group box.
 - Enter the case number.
 - Click **[Open]** button. The **Display Unearned Income Summary** window displays with the **Case Number** and **Name** pre-filled in the "Case" group box.
2. Select the individual from the **Name** drop down field.
3. Click **Add** on the toolbar. The **Collect Unearned Income Detail** window displays.
 - Enter the Effective Begin Date.
 - In the **Type** field, select **Earned Income Tax Credit** from the drop down menu,
 - Select the **Frequency**, and **Source** from the drop down fields as appropriate.
 - Complete the remaining fields on the **Collect Unearned Income Detail** window as appropriate.
 - Select the appropriate **Verification** and **Source** from the drop

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down fields.

4. Click **Save** on the toolbar.
5. Click **[Income Received]** button. The **Collect Income Received Detail** response window appears.
 - Enter the date the unearned income was received or is expected to be received in the ***Date Received/Expected to Be Received*** field.
 - Enter the ***Income Terminated [Y/N]*** indicator.
 - Enter the ***Begin Date*** and ***End Date*** of the pay period in the "Pay Period" group box.
 - Enter the gross dollar amount of the unearned income in the ***Gross Amount*** field.
 - Enter the ***Year to Date Total*** as appropriate.
 - Enter the ***Lump Sum [Y/N]*** indicator.
 - Select the appropriate ***Verification*** and ***Source*** from the drop down fields.
6. Click **Save** on the toolbar to save the information entered.
7. Close the **Collect Income Received Detail** window. Return to the **Collect Unearned Income Detail** window.
8. Close the **Collect Unearned Income Detail** window. Return to the **Display Unearned Income Summary** window.

TIP: As with all Data Collection changes, Eligibility Determination and Benefit Calculation (EDBC) shall be run to apply the changes to the case. EDBC shall be run on immediate or batch mode after making the changes in the system.

Attachments

The following flyers are attached to this Special Notice:

- Attachment A – Contains EITC Threshold for Tax Year 2011
 - Attachment B – Insert to be mailed with December, January and February QR7
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**Manager
Approval**



SYLVIA MELENA, Assistant Deputy Director
Self-Sufficiency Programs
Strategic Planning & Operational Support

**Manager
Contact**

CalWORKs/CalFresh/Medi-Cal/GR-CAPI Programs.

RP/OA/CG

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